



OFFICE OF THE UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

AUG 28 2006

COMPTROLLER
(Program/Budget)

MEMORANDUM FOR DIRECTOR FOR ACCOUNTING, DEFENSE FINANCE
AND ACCOUNTING SERVICE
COMPTROLLER, DEFENSE SECURITY SERVICE

SUBJECT: Cash Transfer

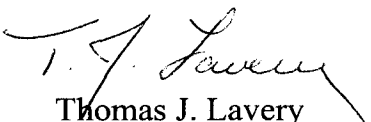
In order to complete the close out of Revolving Fund operations at the Defense Security Service (DSS), a final cash transfer from within the Defense-Wide Working Capital Fund is required. Consistent with direction issued in Program Budget Decision 400 dated December 22, 2005, request that you transfer \$142.572 million to the DSS cash account per the transaction below. This transaction will zero out the DSS cash account and permit final close out of the DSS Working Capital Fund. The DFAS should process this initial transaction by no later than September 15, 2006.

<u>Source</u>	<u>(\$ Millions)</u>
Defense-Wide Working Capital Fund	\$ -142.572
97X4930.005 – Component Level Adjustment - Sub Element 5999	

<u>Recipient</u>	
Defense-Wide Working Capital Fund	\$ +142.572
97X4930.005 – Defense Security Service – Sub Element 5T**	

If this transaction does not zero the DSS cash sub element as of September 30, 2006, the DFAS is authorized to make a final cash adjusting entry to clear the DSS sub-element. These transaction will be reflected in the September 2006, SF-133 and AR 1307 accounting reports. DFAS should charge any cash transactions occurring after the processing of these adjustment against sub element 51**.

Ralph Proctor is my point of contact for this issue. You may reach him at (703) 571-9214.


Thomas J. Lavery
Director for Revolving Funds



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COMPTROLLER
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MEMORANDUM FOR ACTING DIRECTOR, DEFENSE SECURITY SERVICE
DIRECTOR FOR ACCOUNTING, DEFENSE FINANCE AND
ACCOUNTING SERVICE

SUBJECT: Financial Close Out of Revolving Fund Operations

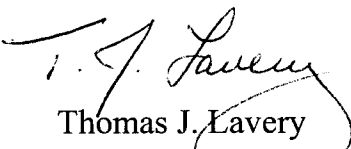
The Defense Security Service (DSS) is directed to take all actions necessary to complete financial close out of its Defense Wide Working Capital Fund (DWWCF) operations by the end of FY 2006.

In order to accomplish this goal, the DSS should work with the Defense Finance and Accounting Service (DFAS) to adjust all outstanding obligations to amounts expected to be paid through completion of existing contracts. This should include termination and payment of the contract with SAIC prior to the close of FY 2006. This should be done by no later than September 15, 2006.

All remaining costs associated with the completion of the September 30, 2006 DSS financial statements will be paid by DFAS. DFAS will maintain a record of costs incurred and will be reimbursed in FY 2007.

Once all known liabilities have been accounted for, a final transaction, documented in separate correspondence, will transfer sufficient cash to the DSS subhead to zero out the account as of September 30, 2006. DFAS will process any remaining cash transactions after that date through its financial records.

Mr. Ralph Proctor is my point of contact for this issue. You may reach him at (703) 571-9214.


Thomas J. Lavery
Director for Revolving Funds

cc:
Comptroller, DSS